

**A SYSTEM AND METHOD FOR MANAGING RISKS ASSOCIATED WITH**

**OUTSIDE SERVICE PROVIDERS**

**ABSTRACT OF THE INVENTION**

A system and method for assessing the risk associated with Outside Service Providers. A decision engine is provided to assess monitor and manage key issues around the risk management capabilities of the OSP. The system creates a core repository that manages, monitors and measures all OSP assessments across an institution (e.g., a corporation). The system and method employs automated questionnaires that require responses from the user (preferably the manager of the OSP relationship). The responses are tracked in order to evaluate the progress of the assessment and the status of the OSP with respect to compliance with the enterprise's requirements for OSPs. Once a questionnaire has been completed, the OSP can be given an overall rating of exposure to various forms of risk. Areas of risk can be acknowledged, prompting a sensitivity rating, such as severe, negligible and so forth. Once risk is acknowledged, a plan for reducing the risk or bringing the OSP into compliance can be formulated, and progress towards compliance can be tracked. Alternatively, an identified exposure to risk can be disclaimed through the system, which requires sign off by various higher level managers and administrators.